

Document No.

NO CHANGE in Class. ☐☒ DECLASSIFIED

Class. CHANGED TO: TS

DDA Form, 4 Apr 77

Auth: DDA Form 77-166

Date: 04/04/98 By: 029

CONFIDENTIAL

CONTROL

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~~CONFIDENTIAL~~CENTRAL INTELLIGENCE GROUP  
INTELLIGENCE REPORT

COUNTRY Iraq

DATE:

INFO. 6 September 1946

SUBJECT Economic Notes from South Iraq

4 November 1946

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ORIGIN

25X1X6

This document is hereby regraded to  
CONFIDENTIAL in accordance with the  
letter of 13 October 1978 from the  
Director of Central Intelligence to the  
Archivist of the United States  
SUPPLEMENT  
Next Review Date: 2000

1. The retreat of the flood waters has relieved the plight of the flood sufferers in the south. Apparently, the trustees of the fund which was subscribed for flood relief considered that they no longer were bound to spend or to account for this money, as there are no signs that anything in the way of relief has been given.
2. The recent wage increase granted by the Iraq Petroleum Company to its Kirkuk employees has made very little stir in the southern area. The Rapsaidain Oil Company has followed suit on a country-wide basis, and it is almost certain that other commercial concerns will have to do the same in Basra. Part of the argument against the necessity of such a raise in Basra is that most of the companies there provide housing for the employees, a fact which was one of the causes for the walkout in Kirkuk.
3. The Kirkuk pay raise has had a disastrous effect on prices; not only in that town, but elsewhere, food and housing costs are on the increase. At present sugar on the open market costs \$1.80 per lb. in Basra, and tea costs \$7.00 per kilo. The price of sugar has less effect in that region than in others, because dates are used for sweetening, but the price of tea is disastrous.
4. The American-Iraqi Shipping Company, agent for the Panamanian Shipping Company, is trying to establish agencies in the Gulf area, but is having trouble in so doing, as this territory has long been controlled by the British agents, Gray, Mackenzie & Co, Ltd.
5. The automobile market in Basra is subject to controlled prices which, however, appear to be easily evaded by the system of selling a car to a client at the controlled price, after which the client "loans" it to a friend or a relative at an exorbitant price. As an example, source cited that of a car which was sold at the controlled price of cost plus 25% import duty plus 10% profit, and which was "loaned" on the following day to a friend of the buyer for £2000: the dealer's price on the car was £850.

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## CLASSIFICATION

ADSO	x	A DEP.	x	FBT	SPDF	x	VTD		OGL
DADSO		FBK		FBV	x	SPDS	B DEP.		N Sw
EXEC.		FBL		FBX		SPDT	CFCB		
CONTROL									
PLANS	x	FEP		SPDA		TRB	x		

Approved For Release 1999/09/08 : CIA-RDP82-00457R000100260008-8

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